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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 006450

SIPDIS

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SUBJECT: TZIPI LIVNI: NO NEW HOUSING TENDERS IN SETTLEMENTS
WHILE SHE IS HOUSING MINISTER

Classified By: Ambassador Daniel C. Kurtzer for reasons 1.4 (b,d).

1. (C) Summary: In her first meeting with the Ambassador as acting Minister of Justice December 16, Likud MK Tzipi Livni stressed that she will not approve any new housing tenders in the settlements while serving as Housing Minister. Livni said she would be ready to discuss problems related to land expropriation and illegal housing construction in the Israeli-Arab sector. End Summary.

Labor has Turned "Greedy"

2. (C) Tzipi Livni told the Ambassador December 16 (before Likud and Labor struck a coalition deal) that she wants to remain Minister of Justice, a position she has held in an acting capacity since Sharon's December 1 dismissal of former Justice Minister Tommy Lapid. Commenting on the ongoing portfolio haggling between Likud and Labor in the course of their coalition negotiations, Livni confided her view that Likud started the talks with Labor from an "unfair" position since Likud had "fenced off" from Labor most of the major portfolios, including the "big three" -- Defense, Foreign Affairs, and Finance. Livni complained that, after Likud conceded several more ministries to Labor, including Interior, Labor had become "more greedy." Livni also complained about the influence of Likud operative Uzi Cohen on the Likud negotiating team, charging that he is "carping" from the sidelines, advising Likud not to give Labor anything.

3. (C) Livni said that the religious Shas Party concluded a day or two earlier that it could not now join a pro-disengagement coalition only six weeks after its spiritual leader, Rabbi Ovadia Yosef, determined that Shas could not support disengagement. If Shas perceives Sharon has formed a stable coalition that could last through December 2006, however, Shas might join at a later date, Livni added.

No New Housing Tenders

4. (C) Speaking in her capacity as Housing Minister, Livni said she had followed a policy of not approving new tenders for additional housing units in the territories since assuming the portfolio July 4. She said that, for bureaucratic and legal reasons, she was allowing tenders approved prior to her assumption of the ministry to go forward. She has also cut NIS 30 million out of the Ministry's budget that was programmed for new settlement housing construction. On the issue of the Nof Hasharon settlement being built west of Alfei Menashe but connected to the infrastructure of Nirit, a town within the Green Line, Livni said the issue was purely in the legal realm and was being handled by the courts because Nof Hasharon is being established entirely by private developers. She opined, however, that the residents of Nirit who have filed a petition in the High Court against the construction may have filed later than they should have because there is already infrastructure on the ground which courts may be loathe to take down.

On Building Demolitions in Israeli-Arab Sector

5. (C) In response to the Ambassador's query, Livni said she had not heard about the demolition by Israeli police of several buildings under construction in the Israeli-Arab northern village of Deir al-Assad December 15, which resulted in a skirmish between village residents and police. Livni said that she had been involved in addressing land issues affecting the Bedouin when she served as Minister-Without-Portfolio in the 15th Knesset. Although she believed that discrimination had been a cause of the differential in housing quality between Israeli Jews and Arabs, she had come to believe that the problem now was more a result of different worldviews. Whereas Israeli Jews would, when confronted with housing code violations, argue strenuously against coming into conformity with those standards, in the end they would do so. Israeli Arabs, particularly the Bedouin, Livni asserted, simply did not accept the concept that the state had any authority over what

they viewed as Arab land and Arab housing. This resulted in poorer quality dwellings, which were frequently not built to code or built illegally.

On IPR

16. (C) Livni said she expected that, should she remain Minister of Justice, one of the most difficult issues with which she would have to deal would be Intellectual Property Rights (IPR). She admitted that she was not up to speed on IPR and would have to invest significant time in understanding the complex issues involved.

Biographical Notes

17. (SBU) Tzipi Livni was born in 1958 in Israel and has a law degree from Bar Ilan University. She was a member of the 15th and now, the 16th Knesset. During the 15th Knesset, she served as Minister of Regional Cooperation and Minister-without-Portfolio, and as a member of the Knesset Committees on Constitution, Law and Justice, and the Status of Women. She currently serves as Minister of Immigration and Absorption, Minister of Housing and as Acting Minister of Justice. She speaks English and French. Livni is married with two children.

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KURTZER